

**IN THE UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF PENNSYLVANIA**

<b>UNITED STATES OF AMERICA</b>	<b>: CRIMINAL NO.</b>
<b>v.</b>	<b>: DATE FILED:</b>
<b>FRED JOHN AMBROSE, JR.</b>	<b>: VIOLATIONS: 18 U.S.C. § 1341 (mail fraud -</b> <b>4 counts)</b>
	<b>: 18 U.S.C. § 1344 (bank fraud -</b> <b>2 counts)</b>
	<b>: 18 U.S.C. § 2 (aiding and</b> <b>abetting)</b>
	<b>: Notice of additional factors</b>

**INDICTMENT**

**COUNTS ONE THROUGH FOUR**

\_\_\_\_\_ **(Mail Fraud)**

**THE GRAND JURY CHARGES THAT:**

At various times material to this Indictment:

1. Defendant FRED JOHN AMBROSE, JR. was admitted to practice law in the Commonwealth of Pennsylvania on October 31, 1979. His registered addresses for the practice of law were 555 City Line Avenue, Suite 240, Bala Cynwyd, Pennsylvania 19004 and Suite 101, 21 Bala Avenue, Bala Cynwyd, Pennsylvania 19004.

2. Defendant FRED JOHN AMBROSE, JR.'s legal practice included the representation of clients with claims against insurance companies and entities, mostly as the result of injuries suffered during accidents.

3. Defendant FRED JOHN AMBROSE, JR., on behalf of clients who were injured in accidents, filed claims against insurance companies and entities that insured the persons

responsible for his clients' injuries, to recover compensation for his clients' medical bills and for their pain and suffering.

4. Defendant FRED JOHN AMBROSE, JR. typically agreed to represent clients with claims against insurance companies and entities in return for 30 to 40 percent of the amount to be paid by the insurance companies at settlement or other dispositions of their cases.

5. Defendant FRED JOHN AMBROSE, JR. maintained a trust account at Sovereign Bank and another at PNC Bank for the deposit of settlement checks received by him on behalf of his clients as the result of the settlement of their insurance claims or other disposition of their cases.

6. Sovereign Bank was a financial institution with offices and banks in Pennsylvania, the deposits of which were insured by the Federal Deposit Insurance Corporation ("FDIC"), certificate number 29950. Defendant FRED JOHN AMBROSE, JR. maintained sole control over trust account number 1409455187 at Sovereign Bank.

7. PNC Bank was a financial institution with offices and banks in Pennsylvania, the deposits of which were insured by the FDIC, certificate number 6384. Defendant FRED JOHN AMBROSE, JR. maintained sole control over trust account number 8867960422 at PNC Bank.

8. Defendant FRED JOHN AMBROSE, JR. had a duty under the law to hold the clients' funds separate and apart from any funds belonging to him until the clients' funds were paid over to them.

9. Defendant FRED JOHN AMBROSE, JR., from at least the period of July 1998 through April 2001, used the mails in furtherance of a plan to obtain money, forged the signatures of his clients in order to deposit checks into his trust accounts, and then commingled,

converted, misappropriated and otherwise misused funds totaling approximately \$160,950 belonging to his clients on whose behalf he received those funds and for whom he was obligated to hold the funds in trust. Defendant FRED JOHN AMBROSE, JR. failed to notify numerous of his clients of his receipt of insurance settlement checks, either prior to or after his deposit of the checks into the trust accounts.

#### THE SCHEME

10. From on or about July 7, 1998, to on or about April 25, 2001, defendant

FRED JOHN AMBROSE, JR.

devised and intended to devise a scheme to defraud and to obtain money and property by means of false and fraudulent pretenses, representations and promises.

It was part of the scheme that:

11. Defendant FRED JOHN AMBROSE, JR. forged or caused the forgery of the signature of his clients on releases submitted to insurance companies and entities so that they would issue settlement checks made payable to the defendant and his clients.

12. Defendant FRED JOHN AMBROSE, JR. forged or caused the forgery of the signature of his clients on settlement checks payable to him and his clients and deposited the checks into a trust account.

13. Defendant FRED JOHN AMBROSE, JR. commingled, converted, misappropriated and otherwise misused funds totaling approximately \$160,950 in his trust accounts.

14. On or about the following dates, in the Eastern District of Pennsylvania and elsewhere, defendant

FRED JOHN AMBROSE, JR.,

for the purpose of executing the scheme described above, and attempting to do so, and aiding and abetting its execution, knowingly caused to be delivered by mail according to the directions thereon, the following settlement checks:

Count	Date	Client	Check Amount	Insurance Company
1	9/23/99	O.D.	\$14,000	State Farm Mutual
2	10/26/99	W.D.	\$8,000	Allstate Indemnity
3	1/14/00	D.G.	\$17,500	Empire Insurance
4	4/24/00	E.C.	\$4,000	Allstate Indemnity

In violation of Title 18, United States Code, Sections 1341 and 2.

**COUNT FIVE**

**(Bank Fraud)**

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**THE GRAND JURY FURTHER CHARGES THAT:**

1. Paragraphs 1 through 9 of Counts One through Four are realleged here.
2. From on or about July 7, 1998, to on or about January 14, 2000, defendant

FRED JOHN AMBROSE, JR.

knowingly executed and attempted to execute a scheme to defraud PNC Bank and to obtain monies owned by and under the care, custody, and control of the Bank by means of false and fraudulent pretenses, representations, and promises.

**THE SCHEME**

It was part of the scheme that:

3. Defendant FRED JOHN AMBROSE, JR. forged or caused the forgery of the signature of his clients on settlement checks payable to him and his clients and deposited the checks into his PNC Bank trust account number 8867960422.
4. Defendant FRED JOHN AMBROSE, JR. commingled, converted, misappropriated and otherwise misused funds totaling approximately \$60,200 from his PNC Bank trust account.
5. On or about the dates listed below, defendant FRED JOHN AMBROSE, JR., with the forged signature of his clients, falsely and fraudulently deposited settlement checks into his PNC Bank trust account:

Date	Client	Check Amount
7/16/98	A.C.	\$10,200
3/9/99	L.T. ( a minor child)	\$4,000
3/9/99	L.T.	\$8,000
5/7/99	C.M.	\$7,500
5/6/99	R.H.	\$5,000
8/5/99	N.F.	\$8,000
1/20/00	D.G.	\$17,500

In violation of Title 18, United States Code, Sections 1344 and 2.

**COUNT SIX**

**(Bank Fraud)**

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**THE GRAND JURY FURTHER CHARGES THAT:**

1. Paragraphs 1 through 9 of Counts One through Four are realleged here.
2. From on or about March 4, 1999, to on or about April 25, 2001, defendant

FRED JOHN AMBROSE, JR.

knowingly executed and attempted to execute a scheme to defraud Sovereign Bank and to obtain monies owned by and under the care, custody, and control of the Bank by means of false and fraudulent pretenses, representations, and promises.

**THE SCHEME**

It was part of the scheme that:

3. Defendant FRED JOHN AMBROSE, JR. forged or caused the forgery of the signature of his clients on settlement checks payable to him and his clients and deposited the checks into his Sovereign Bank trust account number 1409455187.
4. Defendant FRED JOHN AMBROSE, JR. commingled, converted, misappropriated and otherwise misused funds totaling approximately \$100,750 from his Sovereign Bank trust account.
5. On or about the dates listed below, defendant FRED JOHN AMBROSE, JR., with the forged signature of his clients, falsely and fraudulently deposited settlement checks into his Sovereign Bank trust account:

Date	Client	Check Amount
3/9/99	B.T.	\$7,500
3/9/99	M.A.	\$8,750
4/6/99	S.R.	\$5,000
4/6/99	L.R.	\$15,000
5/14/99	E.M.	\$6,000
5/14/99	M.L.	\$6,000
8/11/99	J.S.	\$23,500
8/11/99	J.S. (a minor child)	\$3,000
9/23/99	O.D.	\$14,000
10/28/99	W.D.	\$8,000
4/25/00	E.C.	\$4,000

In violation of Title 18, United States Code, Sections 1344 and 2.



**NOTICE OF ADDITIONAL FACTORS**

**THE GRAND JURY FURTHER CHARGES THAT:**

1. In committing the offenses charged in Counts One through Six of this indictment, defendant

FRED JOHN AMBROSE, JR.

a. Committed an offense in which the loss exceeded \$120,000 as described in U.S.S.G. § 2B1.1(b)(1).

b. Committed an offense involving 10 or more victims, as described in U.S.S.G. § 2B1.1(b)(2)(A).

c. Committed an offense involving more than minimal planning, as described in U.S.S.G. § 2B2.1(b)(1).

d. Committed an offense in which the defendant abused a position of public and private trust, as described in U.S.S.G. § 3B1.3.

A TRUE BILL:

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GRAND JURY FOREPERSON

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PATRICK L. MEEHAN  
United States Attorney